

Date 09/27/10



Environmental Management Consolidated Business Center (EMCBC)

Subject: EMCBC Financial Management Oversight Procedure

IMPLEMENTING PROCEDURE APPROVED: (Signature on File)

EMCBC Director

ISSUED BY: Office of Financial Management

1.0 PURPOSE

The purpose of this procedure is to establish responsibilities for financial management oversight that will ensure compliance with the Chief Financial Officer (CFO) Act; Office of Management and Budget (OMB) Circular A-123; and other financial regulations.

2.0 SCOPE

The scope of this procedure is to provide an approach that will ensure EMCBC oversight activities can withstand an audit by the Office of Inspector General (OIG) and/or the Government Accountability Office (GAO).

3.0 APPLICABILITY

This procedure applies to EMCBC and Service Level Agreement (SLA) sites.

4.0 REQUIREMENTS & REFERENCES

4.1 Requirement:

4.1.1 P.L. 101-576, the Chief Financial Officers Act of 1990

4.1.2 P.L. 104-208, Federal Financial Management Improvement Act of 1996

4.1.3 P. L. 97-255, Federal Managers' Financial Integrity Act of 1982

4.1.4 OMB Circular A-123, Management's Responsibility for Internal Control

4.1.5 DOE O 523.1, Financial Management Oversight

4.2 References:

None

5.0 DEFINITIONS & ACRONYMS - Not Applicable

6.0 RESPONSIBILITIES

- 6.1 EMCBC Director – shall establish adequate internal controls, policies, and procedures to help ensure adherence to financial management policy and shall establish financial management oversight activities that are staffed adequately to carry out sound financial management oversight.
- 6.2 EMCBC Assistant Directors – shall support effective financial management oversight activities as requested.
- 6.3 EMCBC CFO – will comply with CFO Act requirements and support effective financial management oversight for EMCBC and all federal and contractor organizations under its cognizance. Specifically, the CFO shall (1) ensure conformance with financial oversight guidance issued by the Department; (2) ensure compliance with the Federal Managers' Financial Integrity Act (FMFIA); (3) obtain assurances of effective management controls; (4) ensure reviews and analyses are performed to verify adequate internal controls, policies and procedures are established and working effectively.
- 6.4 EMCBC Internal Review Team – accomplish the objectives of effective financial management oversight by performing oversight activities discussed in Section 8.0 below.

7.0 GENERAL INFORMATION - Not Applicable

8.0 PROCEDURES

The Internal Review Team will perform the following:

- 8.1 Develop an annual plan of the financial oversight activities planned for the forthcoming year. The plan should include reviewing pre-award proposals as requested by the Office of Contracting, reviewing post-award incurred costs; reviewing financial systems and reviewing internal controls at EMCBC, its serviced sites and contractors under its cognizance. Financial management oversight guidance from the DOE CFO should be incorporated into the annual plan. Appropriate risk analyses should be performed; reviews that have a higher risk should have a greater preference for inclusion in the annual plan.
- 8.2 Inform management of all significant issues related to internal control weaknesses and inappropriate costing to government contracts. Track internal control weaknesses previously identified and take action to resolve them.
- 8.3 Prepare the annual FMFIA memoranda for the EMCBC by obtaining assurances from EMCBC Assistant Directors; and federal and contractor organizations under EMCBC's cognizance.

8.4 Coordinate OIG and GAO audit activities between the external auditors, HQ, EMCBC management and DOE field management. Keep HQ and EMCBC management informed of all significant audit activities. Track OIG and GAO audit activities and resolution of audit issues using the DOE Department Audit Report Tracking System (DARTS).

8.5 Coordinate Defense Contract Audit Agency (DCAA) audit activities between external auditors and EMCBC management and DOE field management. Request DCAA audits. Resolve any impediments to the DCAA audits. Help resolve DCAA questioned and unsupported costs.

8.6 Support financial contract closure.

9.0 RECORDS MAINTENANCE

9.1 Records generated shall be retained in accordance with the EMCBC Master File Plan.

10.0 FORMS USED - Not Applicable

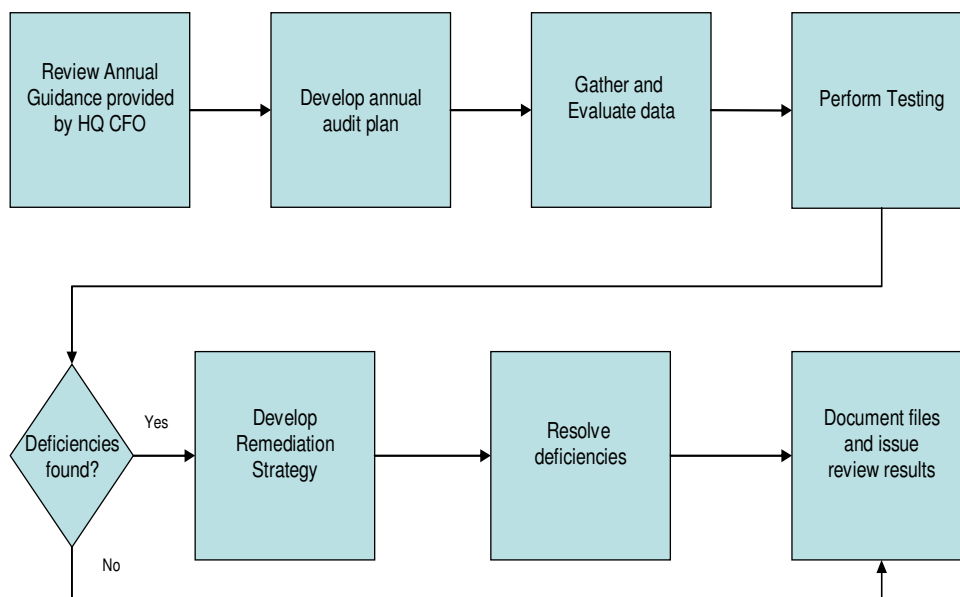
11.0 ATTACHMENTS – Not Applicable

12.0 FLOWCHARTS – Included

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Financial Management Oversight Process

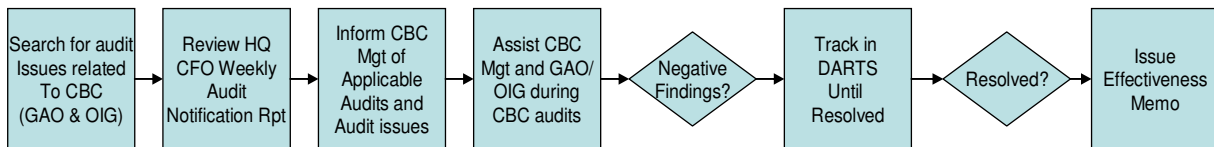
Financial Assessments & A-123 (8.1, 8.2 & 8.6)



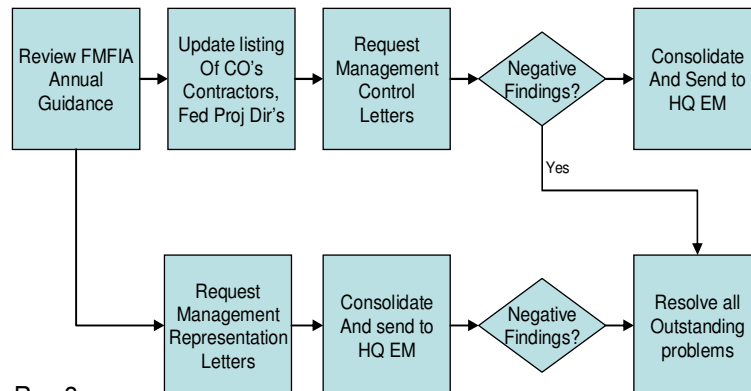
IP-133-01, Rev 3

Financial Management Oversight

OIG & GAO Oversight (8.4)

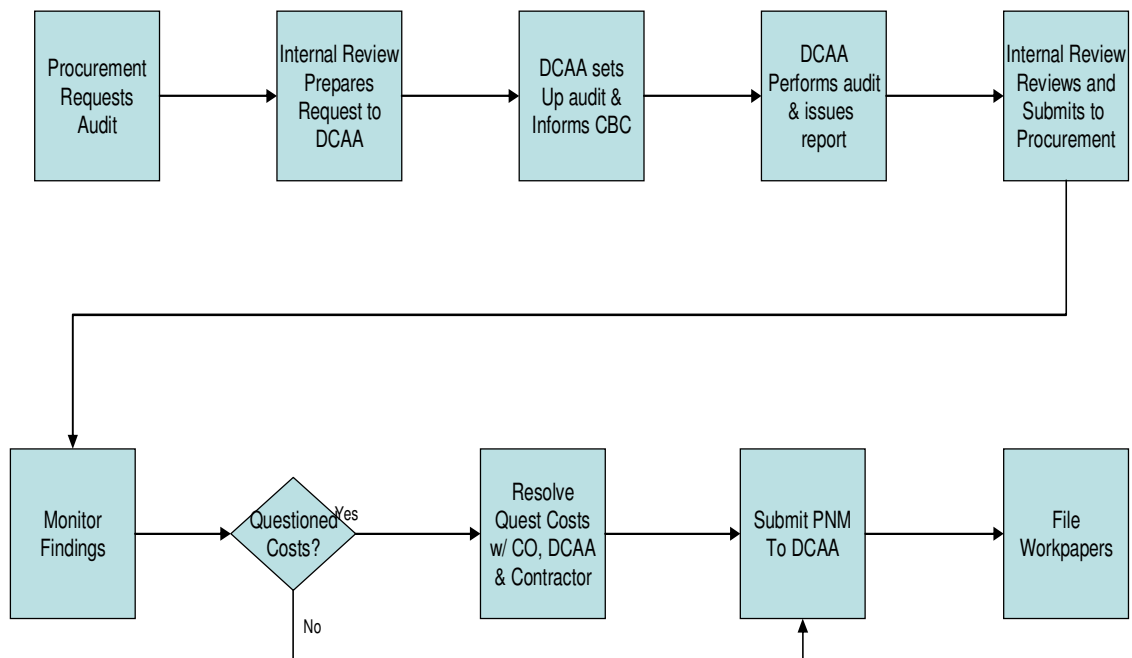


FMFIA Oversight (8.3)



Financial Management Oversight

DCAA Coordination (8.5)



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EMCBC RECORD OF REVISION

DOCUMENT

If there are changes to the controlled document, the revision number increases by one. Indicate changes by one of the following:

- I** Placing a vertical black line in the margin adjacent to sentence or paragraph that was revised.
- I** Placing the words GENERAL REVISION at the beginning of the text.

Rev. No.	Description of Changes	Revision on Pages	Date
1	New Document	All	06/07/06
2	Remove Attachment A, "EMCBC Guide to Financial Management Oversight, January, 2006	Pgs. 1, 2, 3	09/04/07
2	Included Flowchart	4	03/17/08
3	Revised to more closely match DOE O 523.1	All	09/27/10